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1996 Apr

# DEPARTMENT OF LIVESTOCK



MARC RACICOT, GOVERNOR

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## STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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### BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: April 5, 1996  
EFFECTIVE: May 1, 1996  
12:01 a.m.

Due to the latest data available as of April 5, 1996, as applied to the Producer Formula the Producer Formula Index has been calculated to be 272.13. (Docket #69-84, first price announcement effective 7/01/84)

#### MINIMUM PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

EFFECTIVE MAY 1, 1996, the minimum price to be paid milk producers, under ARM 32.24.301, will be \$15.85 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of eight cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be eighty cents (\$.80).

#### MINIMUM PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

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CLASS II PRICE FOR MILK TESTING 3.5%	\$10.86 /CWT
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Average spray process dry milk solids		
price per pound	=	\$1.11250
Multiplied by 8.2	x	8.2
		-----
		\$9.12250
	PLUS +	
Average Grade 'A' 92 score butter		
price per pound	=	\$0.65500
Multiplied by 4.2	x	4.2
		-----
		\$2.75100
		+ \$2.75100
		-----

		\$11.87350
LESS 8.5% (	\$11.87350 X .085)	- \$1.00925
		-----
		\$10.86425

Rounded to the nearest whole cent = \$10.86/hundredweight.

PLEASE RETURN

## =====

CLASS II BUTTERFAT PRICE PER POUND \$0.75 /LB

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Butterfat differential	(	\$0.65500	X	.111	)	=	\$0.07271
Rounded to the nearest half cent	=						\$0.075

## =====

CLASS II VALUE OF ONE POUND OF SKIM \$0.08534 /LB

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Butterfat value per pound	=	\$0.75
for milk at 3.5% test:		

Hundredweight price of milk testing 3.5%	=	\$10.86
LESS 3.5 pounds of butterfat at	\$0.75 per pound	- \$2.625

Value of 96.5 pounds of skim	=	\$8.235
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Value of one pound of skim	(	8.235 ÷ 96.5 pounds)	=	\$0.08534 /LB
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## =====

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

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## =====

CLASS III BUTTERFAT PRICE PER POUND \$0.59 /LB

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Avg. Grade 'A' 92 score butter price/LB	\$0.65500
LESS 10%	\$0.06550
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	\$0.58950

Rounded to the nearest whole cent	=	\$0.59 per pound.
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## =====

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED \$7.57 /CWT

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Avg. spray process dry milk solid price/LB	\$1.11250
Multiplied by 8.2	x 8.2
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	\$9.12250
	\$1.55083
	-----
	\$7.57167

Rounded to the nearest whole cent	=	\$7.57 per hundredweight.
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## =====

CLASS III PRICE PER CWT FOR MILK TESTING 3.5% \$9.37 /CWT

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3.5 pounds of butterfat	x	\$0.59 per pound =	\$2.065
96.5 pounds of skim	x	\$0.07572 per pound =	\$7.307
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\$9.372 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

*Marlys M. Koontz*  
 Marlys M. Koontz, Admn. Support  
 Montana Milk Control Bureau

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BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

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CLASS I SKIM PRICE BASED ON \$15.85 FOR 3.5% MILK 96.5 LBS. = \$12.875		CLASS II SKIM PRICE BASED ON \$10.86 FOR 3.5% MILK 96.5 LBS. = \$8.800		CLASS III SKIM PRICE BASED ON \$9.37 FOR 3.5% MILK 96.5 LBS. = \$7.787	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.13205	2.50	\$0.09026	2.50	\$0.07987
2.55	\$0.13212	2.55	\$0.09030	2.55	\$0.07991
2.60	\$0.13219	2.60	\$0.09035	2.60	\$0.07995
2.65	\$0.13225	2.65	\$0.09040	2.65	\$0.07999
2.70	\$0.13232	2.70	\$0.09044	2.70	\$0.08003
2.75	\$0.13239	2.75	\$0.09049	2.75	\$0.08007
2.80	\$0.13246	2.80	\$0.09053	2.80	\$0.08011
2.85	\$0.13253	2.85	\$0.09058	2.85	\$0.08015
2.90	\$0.13260	2.90	\$0.09063	2.90	\$0.08020
2.95	\$0.13266	2.95	\$0.09067	2.95	\$0.08024
3.00	\$0.13273	3.00	\$0.09072	3.00	\$0.08028
3.05	\$0.13280	3.05	\$0.09077	3.05	\$0.08032
3.10	\$0.13287	3.10	\$0.09082	3.10	\$0.08036
3.15	\$0.13294	3.15	\$0.09086	3.15	\$0.08040
3.20	\$0.13301	3.20	\$0.09091	3.20	\$0.08044
3.25	\$0.13307	3.25	\$0.09096	3.25	\$0.08049
3.30	\$0.13314	3.30	\$0.09100	3.30	\$0.08053
3.35	\$0.13321	3.35	\$0.09105	3.35	\$0.08057
3.40	\$0.13328	3.40	\$0.09110	3.40	\$0.08061
3.45	\$0.13335	3.45	\$0.09114	3.45	\$0.08065
3.50	\$0.13342	3.50	\$0.09119	3.50	\$0.08069
3.55	\$0.13349	3.55	\$0.09124	3.55	\$0.08074
3.60	\$0.13356	3.60	\$0.09129	3.60	\$0.08078
3.65	\$0.13363	3.65	\$0.09133	3.65	\$0.08082
3.70	\$0.13370	3.70	\$0.09138	3.70	\$0.08086
3.75	\$0.13377	3.75	\$0.09143	3.75	\$0.08090
3.80	\$0.13384	3.80	\$0.09148	3.80	\$0.08095
3.85	\$0.13391	3.85	\$0.09152	3.85	\$0.08099
3.90	\$0.13398	3.90	\$0.09157	3.90	\$0.08103
3.95	\$0.13404	3.95	\$0.09162	3.95	\$0.08107
4.00	\$0.13411	4.00	\$0.09167	4.00	\$0.08111
4.05	\$0.13418	4.05	\$0.09171	4.05	\$0.08116
4.10	\$0.13425	4.10	\$0.09176	4.10	\$0.08120
4.15	\$0.13432	4.15	\$0.09181	4.15	\$0.08124
4.20	\$0.13439	4.20	\$0.09186	4.20	\$0.08128
4.25	\$0.13446	4.25	\$0.09191	4.25	\$0.08133
4.30	\$0.13454	4.30	\$0.09195	4.30	\$0.08137
4.35	\$0.13461	4.35	\$0.09200	4.35	\$0.08141
4.40	\$0.13468	4.40	\$0.09205	4.40	\$0.08145
4.45	\$0.13475	4.45	\$0.09210	4.45	\$0.08150
4.50	\$0.13482	4.50	\$0.09215	4.50	\$0.08154

